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Central Intelligence Agency



Washington, D.C. 20505

## DIRECTORATE OF INTELLIGENCE

8 July 1985

NICARAGUA: THE INSURGENT LOGISTICS PIPELINE

Summary

The anti-Sandinista guerrillas have demonstrated considerable resourcefulness in coping with chronic supply problems since US Government funding ended in 1984. They have turned to a variety of sponsors for funds to underwrite purchases of military supplies on the international market and to cover local operating expenses in their effort to sustain a strong military presence inside Nicaragua. Other Central American countries have assisted in various ways while trying to avoid provoking the Sandinistas or offending domestic political sensitivities. Honduras has been particularly helpful—channeling foreign arms deliveries to the

This memorandum was requested by the Deputy Assistant Secretary for Inter-American Affairs, International Security Affairs, Department of Defense. It was prepared by [redacted] and [redacted] of the Central America South Branch, ALA. It was coordinated by the Directorate of Operations and the National Intelligence Officer for Latin America and contains information available as of 5 July 1985. Questions and comments are welcome and should be addressed to Chief, Middle America-Caribbean Division, ALA, [redacted]

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rebels, loaning ammunition from its own stocks, and providing safehaven and logistic support. [REDACTED]

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Despite this backing, anti-Sandinista operations have suffered from inefficiencies in the procurement process and problems in getting supplies to tactical units inside Nicaragua. Managua's increased pressure on the battlefield since January and the Honduran military's insistence on shifting insurgent support bases away from the border in May further strained the rebels' fragile ground logistics system. Recently, the insurgents appear to have overcome many of these difficulties, and new arms and materiel deliveries have permitted them to step up infiltration and combat operations in the northwest. Over the long term, however, the Sandinistas' ability to make more extended deployments in the border area and to entrench their fortifications will make the insurgents' effort to infiltrate and operate in the northern zone a more costly undertaking. [REDACTED]

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The FDN

Rebel groups have turned to a variety of sponsors in efforts to obtain funding and cover supply shortfalls. Earlier this year, we calculated [redacted] estimates of expenses-- that the largest guerrilla group, the Nicaraguan Democratic Force (FDN), had raised about \$8-12 million since US Government funding was halted last May. Fundraising apparently has picked up [redacted]

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[redacted] At an estimated \$1 per day per man, it would cost \$450,000 per month to provide minimal amounts of ammunition, clothing, and food to maintain 15,000 FDN troops. Transportation costs and attendant expenses, plus contributions to other rebel groups, could increase the overall outlay to approximately \$1 million per month, and the acquisition of heavy support weapons and surface-to-air missiles would boost expenses even higher. [redacted]

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Best estimates are that FDN leaders have used their extensive private business contacts to garner most of the funds from US corporations and conservative action groups, but information on identities of donors or amounts provided is unavailable. There has been little evidence of direct foreign government financial assistance to the FDN, although Honduras, Guatemala, and El Salvador reportedly have donated or loaned some munitions and supplies of non-US origin and provided transportation and storage. [redacted]

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Forced to rely solely on overland logistics, the insurgents were hardpressed to infiltrate supplies during Managua's intensive counterinsurgency campaign from January to May. Sandinista deployments, constant attacks, and the mining of infiltration trails forced the guerrillas to use circuitous routes, delaying the arrival of supplies to combat units and limiting the number of operations that can be conducted deep inside Nicaragua. For example, even under optimum conditions, it takes 30 days to carry supplies by foot to units operating in central

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Zelaya. Combat pressure forced some rebel units closer to Honduras to fight their way out to resupply. Moreover, the government's removal of civilians from combat zones began to deprive the guerrillas of vital local sources of food and shelter, increasing the burden on the external logistics system. [REDACTED]

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The rebels have proved resourceful in obtaining material support, and the FDN's success in reinserting units into Nicaragua in June indicates that the Sandinistas still are unable to control the northern border zone. Over the long term, however, the Sandinista buildup—troop and artillery deployments, air defense improvements, and use of helicopter gunships—will make the insurgent effort a more costly one. [REDACTED]

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